

Missouri Office of Broadband Development

Broadband Equity, Access, and Deployment (BEAD) Monitoring Plan

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Part I- Introduction

The Monitoring Plan for the Missouri BEAD Program has been developed to serve as a grant success tool for local use. This manual does not supersede the grant agreement between the Applicant (Subrecipient) and State, nor does it supersede the agreement between the State and applicable Federal entity or absolve the Subrecipient from independently verifying and ensuring that they are administering the funding according to Federal law. **This draft document is subject to updates as the needs of BEAD sub-grantees evolve throughout the implementation of the BEAD program.**

Monitoring reviews are designed to mitigate waste, fraud, and abuse, promote the timely and appropriate use of funds, and facilitate transparent reporting to stakeholders including that National Telecommunications and Information Administration (NTIA), the U.S. Department of Commerce, the State of Missouri General Assembly, and the public. Subrecipients must comply with all applicable State and Federal laws, including but not limited to statutes prohibiting discrimination against persons because of race, color, religion, sex, national origin, disability, and age. These laws require non-discrimination in the program's design, construction, and operation. Under Federal guidelines, funds may be denied to any applicant who uses BEAD funds in a way that violates any applicable laws, memorandum of understanding, or similar statements of roles for Subrecipients or grant agreements.

- All grant recipients must enter into a Grant Agreement with the State.
- The Office of Broadband Development (OBD) at the Department of Economic Development (DED) will occasionally conduct Compliance Monitoring and review the projects at their discretion.
- The U.S. Department of Commerce may occasionally conduct Compliance Monitoring and reviews of the projects at their discretion.
- This Grant Administration Manual may be updated from time to time. It is not intended as legal advice. The Subrecipient should always refer to the fully executed Grant Agreement.



Part 2- Financial Management

Recipients and Subrecipients are the first line of defense and are responsible for ensuring that BEAD funds are not used for ineligible purposes and there is no fraud, waste, or abuse associated with the award. Transparency and public accountability for BEAD award funds and the use of such funds are critical to upholding public integrity. Subrecipients are accountable for all funds, property, and assets under the DED grant program. Subrecipients must maintain a financial accounting system and Internal Controls for the grant that meets Federal and State requirements.

The Subrecipient's financial management system, including compliance documentation with Federal statutes, regulations, and the Grant's terms and conditions, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to an expenditure level adequate to establish that such funds have been used following the Federal statutes, regulations, and the Grant's terms and conditions.

The financial management system of the Subrecipient must provide for the following: (see also *Recordkeeping in Part VII – Closeout and Recordkeeping*):

- a. Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.
- b. Accurate, current, and complete disclosure of the financial results of each Federal award or program that are sufficient to facilitate reviews and audits of the Subrecipient under Audit Requirements.
- c. Records that identify adequately the source and application of funds for federally funded activities. These records must contain information about the Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest, and be supported by source documentation.
- d. Effective control over, and accountability for, all funds, property, and other assets. The Subrecipient must adequately safeguard all assets and ensure they are used solely for authorized purposes (see also *Part II, Section 2 - Internal Controls*).
- e. Comparison of expenditures with budget amounts for each grant. (see also *Part II, Section 7 – Approved Budget and Reimbursement Process*)
- f. Written procedures to implement the requirements of Federal payments. (see *Part II, Section 7 – Approved Budget and Reimbursement Process*).
- g. Written procedures for determining the allowability of costs following 2 CFR § 200 Subpart E - Cost Principles and the terms and conditions of the Grant Agreement.

Internal Control

Through the risk assessment and monitoring procedures across the project cycle, OBD reserves the right to verify that, per 2 CFR 200.303, the Subrecipient:

- a. Establish and maintain effective internal control over the Grant Funds and provide reasonable assurance that the Subrecipient is managing the Grant in compliance with Federal statutes, regulations, and the terms and conditions of the Grant Agreement. These internal controls should comply with the guidance in "Standards for Internal Control in the Federal Government" by the Comptroller General of the United States, or the "Internal Control-Integrated Framework" by the Committee of Sponsoring Organizations of the Treadway Commission. Controls include but are not limited to:



- No person should have complete control over every phase of any financial transaction;
 - Monthly bank reconciliation and/or direct deposit monthly statements should be reviewed by someone who is not responsible for handling cash or issuing checks;
 - The person issuing checks for grant expenses should not also handle payroll preparation/issuance of paychecks;
 - Reimbursement invoices are checked to avoid duplicated payments, and contractors delivering services to the Subrecipient are verified for good-standing business statuses; and
 - Procedures must be in place to ensure the timely expenditure of funds.
- b. Comply with Federal regulations, and the terms and conditions of the Grant Agreement.
- c. Evaluate and monitor the compliance of contractors, working for the Subrecipient, with statutes, regulations, and the terms and conditions of Federal award. Contractors working with the Subrecipient must be cleared from the following list of debarment and business registrations:
- MO Secretary of State:
<https://bsd.sos.mo.gov/BusinessEntity/BEsearch.aspx?SearchType=0>. Check for statuses: Active, Good Standing, or Fictitious Active (with Fictitious Active, also see the Filings tab to verify 100% Sole Proprietorship).
 - Sam.gov: <https://sam.gov/content/entity-information>. See the Exclusions side tab to ensure the firm does not appear in this list.
 - MO Office of Administration (FMDC): <https://oa.mo.gov/facilities/project-management/debarred-contractors>. Ensure the firm does not appear in this list.
 - MO Office of Administration (Purchasing):
<https://purch.oa.mo.gov/media/pdf/suspendeddebarred-vendors>. Ensure the firm does not appear in this list.
 - MO Department of Labor & Industrial Relations:
<https://labor.mo.gov/contractor-debarment-list>. Ensure the firm does not appear in this list.
 - Surety Company (Certified Bonds Issuer ONLY):
<https://www.fiscal.treasury.gov/surety-bonds/list-certified-companies.html>. It is not applicable if the provider has the letter of credit.
 - Asbestos Inspection ONLY:
<https://dnrservices.mo.gov/env/apcp/asbestos/inspectors/index.php>.
 - Asbestos Abatement ONLY:
<https://dnrservices.mo.gov/env/apcp/asbestos/contractors/index.php>.
- d. Take prompt action when instances of noncompliance are identified.
- e. Take reasonable measures to safeguard protected personally identifiable information and other sensitive information, and consistent with applicable Federal, State, local, and tribal laws regarding privacy and confidentiality obligations.

DED Conflict of Interest Policy

DED adopted the Ethics and Conflict of Interest Policy on July 17th, 2012. The policy requires the disclosure of potential conflicts of interest and dictates that the person acting on behalf of OBD in the grant decision-making role or who is in a position to gain inside information (and their family members) cannot obtain a financial interest or benefit from the grant.



Conflict of Interest is a situation in which an individual's financial or other interests in an outside entity conflict, or appear to conflict, with that individual's ability to carry out his or her responsibilities to the Department. These responsibilities include, but are not limited to, awarding of procurement contracts, administration of discretionary tax credits, participation in employment decisions and enrollment in loan or investment programs. A conflict of interest does not imply wrongdoing or misconduct; rather it is a situation in need of management.

Conflict of Commitment is a situation in which an individual's outside activities interfere, or would reasonably appear to interfere, with that individual's duties and responsibilities to the DED.

This includes any outside services, dual employment, consulting, or other activity, regardless of the location of those activities, the type of entity (for-profit, not-for-profit or government), or the level of compensation (compensated or unpaid). Any outside activity that interferes with an individual's ability to effectively carry out his or her Departmental duties and responsibilities is a Conflict of Commitment and as such is prohibited by this policy.

DED requires its employees to fill in the *Conflict-of-Interest Disclosure* form if they have a personal relationship with the entities receiving benefits through a DED-administered program.

DED will conduct investigations to substantiate reported and discovered allegations of possible conflict of interest infractions in a confidential manner. DED will take appropriate actions (up to and including legal action) on a case-by-case basis. This includes instances in which a conflict of interest is not willingly reported, is unknown to the conflicted party, or purposefully not reported but found out at a later date, or in situations in which conflicts may be fraudulent in nature (RSMo Section 105.450-105.464).

Please contact OBD office for the full text of the Ethics and Conflict of Interest policy.

Cost Principles and Cost Eligibility

Cost principles are the fundamental principles used to judge and qualify all costs incurred by the Subrecipient and covered by the grant program. All costs that are intended to be charged to the grant must be Allowable, Reasonable, and Allocable to be considered in compliance. Regulations imposed in the Department of Commerce's BEAD guidelines must also be followed on the eligible and restricted uses of funds.

The Department of Commerce has adopted the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, set forth at 2 CFR part 200 subpart E (Uniform Guidance). There are cost principles in the Uniform Guidance that apply to this Program that are not repeated in full in these Guidelines. Subrecipients must comply with all applicable cost principles and other requirements in the Uniform Guidance. This includes but is not limited to restrictions on duplication of benefits, allowable costs, unallowable costs, and program income.



Part 3- Risk Assessment and Audit Requirements

a. Risk Assessment

Per 2 CFR 200.206, subrecipients of the BEAD program are required to go through initial risk assessment so that OBD can gain more insights into the subrecipient's capacity to deliver the award outcomes and minimize the potential scenarios of waste, fraud, and abuse.

b. Audit Requirements

Under the Uniform Guidance, all non-federal entity subrecipients are subject to the audit requirements in subpart F. Non-federal entity subrecipients are required to submit single audits or program-specific audits to the Federal Audit Clearinghouse (FAC), the government-wide repository for audits of financial assistance programs. For-profit subrecipients are not subject to Subpart F but are subject to the terms and conditions in the award between Commerce and OBD, and, pursuant to 2 CFR 200.501 (h), OBD has an obligation to ensure compliance by for-profit subrecipients. Under that provision, methods to ensure compliance for federal awards, made to for-profit subrecipients, may include pre-award audits, monitoring during the agreement, and post-award audits.

This provision may be satisfied by the submission of an audit or other documentation that covers multiple subawards and multiple federal programs. For-profit subrecipients may use the Schedule of Expenditures of Federal Awards (SEFA) as a framework for organizing expenditure data across programs.

OBD starts the process by requiring all subrecipients to fill in the Federal Expenditures Reporting Form, in which subrecipients must disclose all expenditures from all the federal grants received in their previous fiscal year. A single audit (for non-federal entities that are non-commercial) or program-specific monitoring (for commercial entities) will be required if expenditures are at least \$750,000 (for fiscal years beginning before 10/1/2024) or \$1,000,000 (for fiscal years beginning on or after 10/1/2024).

The single audit must be submitted to the Federal Audit Clearinghouse within either:

- 30 days after receipt of the auditor's report; or
- Nine (9) months after the end of the audit period;

The Federal Audit Clearinghouse forms and information can be obtained at <https://harvester.census.gov/facweb/> or by calling (800) 253-0696.

OBD requires a copy of the uploaded Single Audit to the Federal Audit Clearinghouse website. A reasonably proportional share of the audit costs for BEAD funds are allowable as long as they were performed in accordance with the above-mentioned policies.



Part 4- Monitoring

Monitoring is the process that the Office of Broadband Development (OBD) uses to ensure that all funds are used in accordance with Federal and State regulations. Funds are protected from waste, fraud, and abuse, and program goals are achieved.

All levels of the award must monitor the next downstream level. For example, the U.S. Department of Commerce monitors OBD, OBD monitors the Subrecipient, and the Subrecipient works with contractors to acquire services while maintaining the Federal and State regulations. The nature of engagement between the Subrecipient and the Contractors is different, focusing only on ensuring that the receipt and payment for goods and services comply with federal statutes, regulations, and the terms and conditions of federal awards. Beneficiaries are not monitored unless they conduct some or all the work.

Monitoring starts when the grant agreement is signed and ends when the project is complete and closeout documentation is submitted to OBD.

1. Responsibility of the Main Parties

a. OBD Responsibilities

As the lead agency for implementing the State of Missouri's Broadband Infrastructure Grant Program, OBD leads all monitoring efforts. Using documents and reports submitted by its Subrecipients, OBD personnel inspects and monitors grant activities to determine compliance with federal and state laws, regulations, rules, and guidelines relative to the use of grant funds. OBD personnel ensures that Subrecipients comply with administrative, financial, and programmatic operations regulations to achieve performance objectives on time and within budget.

OBD will also provide written notice to the Subrecipient of the interventions, if applicable, on the nature, reasons, action needed, timeframe, and method of additional requirements.

b. Subrecipient Responsibilities:

Subrecipients are responsible for administering grant activities described in the Grant Agreement scope of work. Some Subrecipients have multiple activities, in which some are more complex, so monitoring requirements will vary. At a minimum, Subrecipients are responsible for:

- Complying with the terms and conditions of the Grant Agreement with OBD, specifically anti-fraud and abuse;
- Documenting project outputs.
- Working with contractors to ensure the eligibility of payments;
- Performing sufficient financial controls to ensure grant costs are eligible, reasonable, and allocable;
- Monitoring construction contractors for equal opportunity and labor standards requirements; and



- Work with OBD to tackle problematic issues and follow up with corrective actions.

2. Monitoring Overview

The monitoring process starts with an initial risk assessment. The Uniform Guidance 2 CFR §200.206 (pre-award) and 2 CFR §200.302 (post-award) requires non-federal entities like OBD that are making awards to other parties, also known as “Subrecipients”, to conduct an initial risk assessment to determine the level of risk that the Subrecipient poses to:

- Conduct the award successfully, and
- Minimize the potential exposure to waste, fraud, and abuse.

a. Initial Risk Assessment

The initial risk assessment aims to establish the level of risk at the Subrecipient's level. The level of risk will drive the amount of monitoring that is conducted based on the premise that the higher the risk level, the additional and more thorough monitoring that must be conducted.

Conversely, the lower the risk rating, the less monitoring needs to be conducted. Monitoring activities that may be increased or decreased include, but are not limited to:

- Number of site visits.
- Amount of technical assistance and training.
- Number of “touch-base” video conferences.
- Number of “touch-base” conference calls.
- The use of Desk Audits
- The use of independent audits or agreed-upon procedure engagements.

The rating for the risk assessment will be based on:

- Financial stability: The Subrecipient's daily operations generate enough cash to cover its expenses and debt payments.
- Management systems and standards: Quality of management systems and ability to meet the management standards as prescribed in 2 CFR 200;
- History of performance: The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including:
 - Timeliness of compliance with applicable reporting requirements,
 - Conformance with the terms and conditions of previous Federal awards, and, if applicable,
 - The extent to which any previously awarded amounts will be expended before future awards;



- Audit reports, monitoring, and findings: Reports, monitoring results and findings from procedures performed under 2 CFR 200 subpart F or the reports and findings of any other available audits and program reviews;
- Ability to effectively implement requirements: The Subrecipient's ability to effectively implement statutory, regulatory, or other requirements imposed through award agreements; and
- Risk-based requirements adjustment: OBD may adjust requirements when a risk evaluation indicates that it may be merited either in pre-award or post-award.

For OBD, the Grants Specialist, acting as the project manager, will utilize the "Subrecipient Initial Risk Assessment Checklist" to meet this standard. The Grants Specialist will conduct the preliminary risk assessment after the project application has been approved for funding, but before the Grant Agreement has been executed. When the Grant Agreement is executed, the Grants Specialist will conduct the same initial risk assessment, considering the risk score from the preliminary risk assessment to get the Subrecipient's risk score.

Once sufficient data is gathered to ensure a fair and impartial basis, the Grants Specialist should complete the assessment with a rating of High Risk, Moderate Risk, or Low Risk. All risk assessments should be done in collaboration with the related Grants Specialist. The final assessment will be communicated to the Subrecipients along with the basis of the rating.

The monitoring plans will vary based on the overall subrecipient's risk assessment result, detailed below, but are not limited to:

Low-Risk Subrecipient	Medium-Risk Subrecipient	High-Risk Subrecipient
• Payment validations (each reimbursement). • Report reviews (quarterly). • Desk reviews at least once per year and more frequently if requested by any associated key parties). • Subrecipient's update call (monthly). • Site visits at 50% and 90% of project progress. • Audit review (yearly), if required, based on the subrecipient's status.	• Payment validations (each reimbursement) • Report reviews (quarterly). • Desk reviews within 6 months of project start and every six months thereafter, and more frequently if requested by any associated key parties. • Subrecipient's update call (monthly). • Site visits at 50% and 90% of project progress. • Audit review (yearly), if required, based on the subrecipient's status. • Procedures engagement (if the subrecipient not subject to Single Audit Act; yearly).	• Payment validations (each reimbursement). • Report reviews (quarterly). • Desk reviews within 3 months of project start and at least quarterly thereafter and more frequently if requested by any associated key parties. • Subrecipient's update call (monthly). • Site visits at 50% and 90% of project progress, or more frequently if requested by any associated stakeholders) • Audit review (yearly), if required, based on the subrecipient's status. • Procedures engagement (if the subrecipient not subject to Single Audit Act; yearly). • Compliance technical training (1- 2 times). • Prior approvals for certain expenditures.



b. Types of Monitoring

- **Payment validation:** All subrecipient documentation for project expenditures must be reviewed by OBD for compliance with program requirements. Any non-compliant expenditures will be denied and the subrecipient will be provided a reasonable description of the reason for denial and an opportunity to cure the deficiency.
 - As OBD reimbursements typically happen after the activity payment, certain types of costs must be pre-approved by OBD.
- **Report review:** A subrecipient must submit quarterly financial and performance reports, based on the schedule outlined in the Grant Agreement. The nature and scope of the reports will depend on the project and be spelled out in the subaward. The reports will be reviewed by OBD. Any deficiencies or other performance concerns will be addressed with the subrecipient in a timely manner and could trigger additional monitoring requirements or other interventions, as specified in the Grant Agreement.
- **Desk review:** OBD will request relevant documents throughout the project cycle to review the subrecipient's award administration capacity and financial management. The follow-up meeting may be held virtually or in person. Topics covered will depend on project scope and subrecipient risk assessment and may include governance, project outputs, budgeting, accounting, internal controls, conflict of interest, personnel, inventory, and record keeping.
- OBD will follow up via emails or a report after the review for any corrective actions if deemed necessary.
- **Site visit:** OBD will conduct on-site visits to the subrecipient's location to review the subrecipient's project performance and compliance when the project is at 50% and 9% completion. Topics covered will depend on project scope and subrecipient risk assessment and may include project outputs, data systems, activity and performance tracking, project reporting, inventory, and software systems. OBD will follow up via emails or a report after the review for any corrective actions if deemed necessary.
- **Monthly update calls:** The Grant Specialist, acting as the project manager, will conduct a monthly call with the Subrecipient, besides other regular contacts, to get updates on the project status and provide any clarification or technical assistance.
- **Audit review:** All subrecipients must submit a yearly Federal Expenditure Reporting Form detailing all the expenditure paid for by all the Federal grants in their last fiscal year. OBD will review the form and determine if certain subrecipients, depending on its business status and the expenditure amounts, need to submit a Single Audit. OBD will then review the content of the audit. More details can be found under *part II – Reporting*.
- **Procedures engagement:** Applicable only to subrecipients who are not subject to the Single Audit Act. OBD will review the grant-specific audit reports done by a third-party auditor, replacing the Single Audit.



c. Follow-ups and Corrective Actions

OBD may impose the following interventions on the non-compliant subrecipient, depending on the monitoring results through the risk assessment or the grant performance deficiency identified through reviews during the year.

For the purpose of this plan, the term "Non-Compliant Subrecipient" shall include:

- A Subrecipient who fails to provide requested information before, during, and after the award.
- A Subrecipient that submits requested information in an incomplete manner.
- A Subrecipient that submits late, inaccurate, and incomplete reimbursement requests.
- A Subrecipient that submits late, inaccurate, and incomplete reports.
- A Subrecipient that fails to provide a plan of action for audit or Single Audit findings.
- A Subrecipient that fails to correct audit findings.
- A Subrecipient that fails or refuses to recognize the OMB Circulars, Uniform Guidance, or any other requirements set forth by Commerce that set the standards for the administration of award funds.
- A Subrecipient who fails to cooperate in the monitoring process related to federal award funds conducted by OBD personnel.

Level 1 Interventions: These interventions may be required for minor compliance or performance issues.

- Subrecipient addresses specific internal control, documentation, financial management, compliance, or performance issues within a specified period.
- More frequent or more thorough reporting by the Subrecipient.
- More frequent monitoring by the OBD.
- Require the Subrecipient to attend technical assistance or training session.

Level 2 Interventions: These interventions may be required, in addition to Level 1 interventions, for more serious compliance or performance issues.

- Restrictions on funding payment requests by the Subrecipient.
- Disallowing payments to the Subrecipient.
- Requiring repayment for disallowed cost items.
- Imposing probationary status on the Subrecipient

Level 3 Interventions: These interventions may be required, in addition to Level 1 and 2 interventions, for significant and/or persistent compliance or performance issues.

- Temporary or indefinite funding suspension to the Subrecipient.
- Non-renewal of funding to the Subrecipient in the subsequent year.
- Terminate funding to the Subrecipient in the current year.
- Initiate legal action against the Subrecipient.



Part 5- Reporting

OBD will collect information on project progress, budget status, and civil rights compliance through quarterly project and expenditure reports and annual performance reports. Information from these reports is reported to the Department of Commerce as required. It is very important that the Subrecipient keeps its Submittable contact updated, as all reporting will be sent through this platform.

1. Quarterly Project and Expenditure Reports

Quarterly reports are due on the following dates each year: April 30, July 31, October 31, and January 31. A report format will be sent to the Subrecipient using the Salesforce platform.

Quarterly reports request data, information, and documents on project basic information, subrecipient information, up-to-date budget situation, project technology and performance (e.g. project technology, total of miles of fiber, actual and planned locations served, speed tests, etc.) and labor standards compliance.

2. Semi- Annual Performance Report

A semi-annual report is due to the Department of Commerce every 6 months covering 2022 through 2032 for periods of July 1 to December 31 and January 1 to June 30 of each year. The Subrecipient should demonstrate the project outputs and outcomes. DED will make all efforts to use the Quarterly Reports to create the Semi-Annual Performance Reports in lieu of potentially duplicative reporting but reserves the right to request updated information if necessary to comply with Commerce's requirements. Subrecipients will be notified using the Salesforce platform for any requirements.

3. Financial Reporting: Federal Reporting Form and Single Audits

Within 60 days after the end of the Subrecipient's fiscal year, the Subrecipient must send a Federal Expenditure Reporting form to OBD, listing all federal dollars expended during the previous fiscal year. Under the Uniform Guidance, if the total expenditure is above \$750,000 (for fiscal year ending before October 1, 2024) or \$1 million (for fiscal year end starting October 1, 2024), non-federal entities that are non-profit must conduct a Single Audit.

Non-federal entity subrecipients must submit single audits or program-specific audits to the Federal Audit Clearinghouse (FAC), the government-wide repository for audits of financial assistance programs. The Single Audit must be uploaded to the FAC within 9 months after the fiscal year-end, or 90 days after the receipt of the audit, whichever happens sooner.

For-profit subrecipients are not subject to Subpart F but are subject to the terms and conditions in the award between a federal awarding agency and a recipient, and, pursuant to 2 CFR 200.501 (h), recipients have an obligation to ensure compliance by for-profit subrecipients. Under that provision, methods to ensure compliance for federal awards to for-profit subrecipients may include pre-award audits, monitoring during the agreement, and post-award audits. DED may request additional information or documentation from the Subrecipient as risk mitigation.

4. Other Reports

The Subrecipient must promptly inform OBD of any changes in key personnel or project development situations that can impact the grant performance.



Part 6- Closeout and Record Keeping

1. Closeout

A project is eligible for closeout once the following actions are completed:

- Subrecipients will receive an 85% reimbursement for the eligible costs submitted each month; the remaining 15% reimbursement will be available upon completion of the final inspection and grant closeout.
- Receipt by OBD of a certification from a professional engineer meeting the following requirements:
 - must be certified in Missouri;
 - must not be the engineer who originally designed the project; and
 - must not have a direct pecuniary interest in the project or an affiliation with an entity providing financial support for the project.
- The professional engineer must certify that:
 - the project meets the original design as approved by DED;
 - the build has been completed;
 - the design and installation conform to all applicable federal, state, and local requirements and standard engineering practices; and
 - the installed infrastructure will provide the service levels stated in the application.
- Subrecipient presents evidence of providing a low-cost option.
- Final budget approval.
- Confirmation of payment by local government for match.
- All reporting for Commerce has been satisfied including data for quarterly and annual reporting.
- Take rate at the time of close out.
- Fully filled out Broadband Infrastructure Location Data Template provided by Commerce.
- Single audits have been filed if applicable.
- Site visits from OBD are complete.
- Record pricing tiers provided in the project area.
- Record encumbered property if applicable.

Once the OBD grants team ensures all closeout actions are complete, the subrecipient is presented with a certificate signed by the OBD Director certifying closeout.

Subrecipient must submit to DED all Subaward closeout documents no later than ninety (90) days after the end of the Period of Performance so that DED can submit its closeout documents to Commerce, as outlined in 2 CFR 200.344.

Closeout will be conducted pursuant to the Uniform Guidance and the Subrecipient shall have continuing responsibilities, as set forth in 2 CFR 200.345, including but not limited to remaining funds recovery, audit, final payment resolution, property management and disposition requirements.

Pursuant to § 620.2468 RSMo, Subrecipient must allow DED to engage in site inspections until the Project is complete and operational.

2. Record Retention

An adequate recordkeeping and filing system for the Missouri BEAD Program is essential to document both subrecipient fulfillment of applicable regulations and accomplishment of



program activities. Complete records are necessary for the two major aspects of the program audit - financial soundness and program compliance. Without adequate records to support programmatic decisions, even the best-performing program will receive an adverse audit.

The importance of maintaining a logical and complete filing system cannot be overemphasized. The key consideration in designing any system is that it creates a clear "audit trail." This means that every transaction can be traced from beginning to end by "source documentation", which refers to any writing that activates a flow of funds. Source documentation comprises purchase orders, invoices, contracts, checks, budget amendments, memoranda, and other transaction documentation. It also includes writings verifying compliance with nonfinancial aspects of program administration (i.e. inspection reports that confirm the fulfillment of the construction). Original documents are preferred, but copies are acceptable as source documents.

The process of tracing is the primary concern of program auditors. A record and filing system that enables an auditor to quickly and easily trace transactions using source documentation and coding references will generally result in a favorable audit report. The Subrecipient must retain the grant records:

- **five years** after the expiration or termination of the Grant Agreement.
- If any litigation, claim, audit, negotiation, or other action involving the grant records has started before the expiration of the three-year period, 2 CFR 200.334 requires the records to be retained until all findings involving the records have been resolved and final action is taken.
- For property and equipment acquired with the assistance of the grant funds, in part and in full, the records must be retained for three years after the final disposition.

Representatives of the Department of Commerce, Commerce's Office of Inspector General, the State, DED, and the General Accounting Office, the Missouri State Auditor, and their authorized representatives shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt, and use of OBD funds and necessary to facilitate reviews and audits. The right of access is not limited to the required retention period but lasts as long as the records are retained. Subrecipient must also give timely and reasonable access to its personnel for the purpose of interviews and discussion related to such records.

These record retention requirements represent minimum standards and should not automatically become the maximums. It is often in the best interest that the Subrecipient builds an extra margin into their systems in recognition that there will always be some unexpected demand on the system or other problems that may arise. Subrecipients must control grant funds and establish adequate safeguards to protect the records that document grant transactions.



Part 7- SAC Conditions

MO OBD will comply with the recipient specific SAC requirements inclusive of subgrantees.